

MOR-1

CASE NAME: Lajitas Resorts, Ltd.
 CASE NUMBER: 07-70143
 PROPOSED PLAN DATE: _____

UNITED STATES BANKRUPTCY COURT

PETITION DATE: 07/02/07
 DISTRICT OF TEXAS: Western
 DIVISION: Midland

MONTHLY OPERATING REPORT SUMMARY FOR MONTH

OCTOBER **YEAR** 2007

MONTH	Jul-07	Aug-07	Sep-07	Oct-07		
REVENUES (MOR-6)	210,865.00	180,205.00	382,679.00	483,768.00	0.00	0.00
INCOME BEFORE INT; DEPREC./TAX (MOR-6)	-299,551.00	-420,415.00	-321,261.82	-136,572.00	0.00	0.00
NET INCOME (LOSS) (MOR-6)	-916,199.00	-817,084.00	-721,008.82	-537,701.00	0.00	0.00
PAYMENTS TO INSIDERS (MOR-9)	54,558.99	60,170.48	57,015.93	75,339.66	0.00	0.00
PAYMENTS TO PROFESSIONALS (MOR-9)	1,500.00	0.00	0.00	7,192.05	0.00	0.00
TOTAL DISBURSEMENTS (MOR-8)	500,785.91	794,664.98	673,007.54	1,411,400.00	0.00	0.00

The original of this document must be filed with the United States Bankruptcy Court and a copy must be sent to the United States Trustee

REQUIRED INSURANCE MAINTAINED			CIRCLE ONE
AS OF SIGNATURE DATE		EXP.	
		DATE	
CASUALTY	YES <u>X</u>	NO _____	04/30/08
LIABILITY	YES <u>X</u>	NO _____	04/30/08
VEHICLE	YES <u>X</u>	NO _____	04/30/08
WORKER'S	YES <u>X</u>	NO _____	04/30/08
OTHER	YES <u>X</u>	NO _____	04/30/08
Are all accounts receivable being collected within terms?			Yes
Are all post-petition liabilities, including taxes, being paid within terms?			Yes
Have all tax returns and other required government filings been timely paid?			Yes
Have any pre-petition liabilities been paid?			Yes
If so, describe <u>Payroll & leases approved by the court</u>			
Are all funds received being deposited into Debtor in Possession bank accounts?			Yes
Were any assets disposed of outside the normal course of business?			No
If so, describe _____			
Are all U.S. Trustee Quarterly Fee Payments current?			Yes
What is the status of your Plan of Reorganization? _____			

ATTORNEY NAME: Mark J. Petrocchi
 FIRM NAME: Goodrich Postnikoff Albertson & Petrocchi, LLP
 ADDRESS: 777 Main Street
Suite 1360
 CITY, STATE, ZIP: Fort Worth, TX 76102
 TELEPHONE/FAX: (817) 347-5269/(817) 338-9209

INITIALS _____
 DATE _____
 UST USE ONLY

I certify under penalty of perjury that the following complete
 Monthly Operating Report (MOR), consisting of MOR-1 through
 MOR-9 plus attachments, is true and correct.

SIGNED X  TITLE: CFO
 (ORIGINAL SIGNATURE)
Cynthia L. Matulich 11/26/07
 (PRINT NAME OF SIGNATORY) DATE Revised 11/08/05

MOR-1

CASE NAME: Lajitas Resorts, Ltd.
CASE NUMBER: 07-70143

COMPARATIVE BALANCE SHEETS

ASSETS	FILING DATE*	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
	7/2/2007 0:00	Jul-07	Aug-07	Sep-07	Oct-07			
CURRENT ASSETS								
Cash	41,785.00	613,300.00	23,169.00	714,687.58	367,709.00			
Accounts Receivable, Net	194,430.00	194,387.00	161,371.00	260,306.00	222,289.00			
Inventory: Lower of Cost or Market	515,234.00	504,628.00	504,412.00	499,789.00	493,522.00			
Prepaid Expenses	304,679.00	341,409.00	408,153.00	403,037.00	398,824.00			
Investments								
Other								
TOTAL CURRENT ASSETS	1,056,128.00	1,653,724.00	1,097,105.00	1,877,819.58	1,482,344.00	0.00	0.00	
PROPERTY, PLANT & EQUIP. @ COST	38,955,273.00	38,980,209.00	39,012,779.00	39,049,148.00	39,071,766.00			
Less Accumulated Depreciation	9,520,602.00	9,654,671.00	9,788,540.00	9,922,179.00	10,055,028.00			
NET BOOK VALUE OF PP & E	29,434,671.00	29,325,538.00	29,224,239.00	29,126,969.00	29,016,738.00	0.00	0.00	
OTHER ASSETS								
1. Tax Deposits								
2. Investments in Subsidiaries	19,161,435.00	19,227,812.00	19,263,648.00	19,252,457.00	19,299,634.00			
3. Electric Deposit								
4.								
TOTAL ASSETS	\$49,652,234.00	\$50,207,074.00	\$49,584,992.00	\$50,257,245.58	\$49,798,716.00	\$0.00	\$0.00	

* Per Schedules and Statement of Affairs

MOR-2

Revised 11/08/05

CASE NAME: Lajitas Resorts, Ltd.
CASE NUMBER: 07-70143

COMPARATIVE BALANCE SHEETS

LIABILITIES & OWNER'S EQUITY	FILING DATE*	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
LIABILITIES		Jul-07	Aug-07	Sep-07	Oct-07		
POST-PETITION LIABILITIES(MOR-4)	0.00	678,266.00	1,759,406.00	2,139,779.00	3,769,714.00		
PRE-PETITION LIABILITIES							
Notes Payable - Secured	12,500,000.00	12,500,000.00	12,500,000.00	12,500,000.00	12,500,000.00		
Priority Debt (** Pre-petition)	149,733.00	146,183.00	0.00				
Federal Income Tax							
FICA/Withholding (** Pre-petition)	-3,719.00		0.00				
Unsecured Debt	3,838,014.00	3,819,353.00	3,815,666.00	3,781,133.00	3,757,529.00		
Other	2,692,273.00	3,503,538.00	2,767,270.00	3,819,492.00	2,287,265.00		
TOTAL PRE-PETITION LIABILITIES	19,176,301.00	19,969,074.00	19,082,936.00	20,100,625.00	18,545,061.82	0.00	0.00
TOTAL LIABILITIES	19,176,301.00	20,647,340.00	20,842,342.00	22,240,404.00	22,314,775.82	0.00	0.00
OWNER'S EQUITY (DEFICIT)							
PREFERRED STOCK							
COMMON STOCK							
ADDITIONAL PAID-IN CAPITAL	83,654,507.00	83,654,507.00	83,654,507.00	83,654,507.00	83,654,507.00		
RETAINED EARNINGS: Filing Date	-53,178,574.00	-53,178,574.00	-53,178,574.00	-53,178,574.00	-53,178,574.00		
RETAINED EARNINGS: Post Filing Date		-916,199.00	-1,733,283.00	-2,454,291.82	-2,991,992.82	0.00	0.00
TOTAL OWNER'S EQUITY (NET WORTH)	30,475,933.00	29,559,734.00	28,742,650.00	28,021,641.18	27,483,940.18	0.00	0.00
TOTAL LIABILITIES & OWNERS EQUITY	\$49,652,234.00	\$50,207,074.00	\$49,584,992.00	\$50,262,045.18	\$49,798,716.00	\$0.00	\$0.00

* Per Schedules and Statement of Affairs

MOR-3

Revised 11/08/05

(** Pre-petition) Payroll and payroll taxes were included as a priority claim, but it was not posted until July due to the timing of the payperiod ending and pay dates.

CASE NAME: Lajitas Resorts, Ltd.
CASE NUMBER: 07-70143

SCHEDULE OF POST-PETITION LIABILITIES

	MONTH Jul-07	MONTH Aug-07	MONTH Sep-07	MONTH Oct-07	MONTH	MONTH
TRADE ACCOUNTS PAYABLE	140,055.00	57,014.00	58,578.00	37,689.00		
TAX PAYABLE						
Federal Payroll Taxes	20,007.00	19,166.00	20,611.00	-3,715.00		
State Payroll Taxes	7,429.00	8,138.00	8,654.00	5,333.00		
Ad Valorem Taxes						
Other Taxes	10,775.00	8,724.00	24,769.00	32,003.00		
TOTAL TAXES PAYABLE	38,211.00	36,028.00	54,034.00	33,621.00	0.00	0.00
SECURED DEBT POST-PETITION						
ACCRUED INTEREST PAYABLE		716,638.00	996,628.00	1,224,951.00		
ACCRUED PROFESSIONAL FEES*						
OTHER ACCRUED LIABILITIES						
1. Advance from Steve Smith	500,000.00	800,000.00	800,000.00	1,817,000.00		
2. Payroll/Vacation/Incentives		28,871.00	54,938.00	83,115.00		
3. Deposits		10,195.00	50,549.00	173,814.00		
4 Accrued Property Tax		56,000.00	56,000.00	112,000.00		
4 Other Accruals		54,660.00	69,052.00	287,524.00		
TOTAL POST-PETITION LIABILITIES (MOR-3)	\$678,266.00	\$1,759,406.00	\$2,139,779.00	\$3,769,714.00	\$0.00	\$0.00

*Payment requires Court Approval

MOR-4

Revised 11/08/05

CASE NAME: Lajitas Resorts, Ltd.
 CASE NUMBER: 07-70143

AGING OF POST-PETITION LIABILITIES
 MONTH October-07

DAYS	TOTAL	TRADE ACCOUNTS	FEDERAL TAXES	STATE TAXES	AD VALOREM, OTHER TAXES	
0-30	25,176.17	25,176.17				
31-60	-305.96	-305.96				
61-90	113.86	113.86				
91+	12,704.68	12,704.68				
TOTAL	\$37,688.75	\$37,688.75	\$0.00	\$0.00	\$0.00	\$0.00

AGING OF ACCOUNTS RECEIVABLE

MONTH	TOTAL	Club A/R	Hotel A/R			
0-30 DAYS	30,540.32	27,353.05	3,187.27			
31-60 DAYS	32,023.61	29,223.61	2,800.00			
61-90 DAYS	14,026.39	10,736.19	3,290.20			
91+ DAYS	124,508.51	94,892.46	29,616.05			
TOTAL	\$201,098.83	\$162,205.31	\$38,893.52	\$0.00	\$0.00	\$0.00

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Revised 11/08/05

CASE NAME: Lajitas Resorts, Ltd.
 CASE NUMBER: 07-70143

STATEMENT OF INCOME (LOSS)

	MONTH Jul-07	MONTH Aug-07	MONTH Sep-07	MONTH Oct-07	MONTH	MONTH	FILING TO DATE
REVENUES (MOR-1)	210,865.00	180,205.00	382,679.00	483,768.00			1,257,517.00
TOTAL COST OF REVENUES	86,809.00	55,374.00	163,053.00	112,490.00			417,726.00
GROSS PROFIT	124,056.00	124,831.00	219,626.00	371,278.00	0.00	0.00	839,791.00
OPERATING EXPENSES:							
Selling & Marketing	11,100.00	10,160.00	12,817.00	28,379.00			62,456.00
General & Administrative	45,164.00	127,223.00	137,959.82	118,456.00			428,802.82
Insiders Compensation		1,036.00	57,015.93	75,339.66			133,391.59
Professional Fees			0.00	7,192.05			7,192.05
Payroll	234,278.00	253,109.00	265,742.00	267,991.00			1,021,120.00
Other	133,065.00	153,718.00	67,353.07	10,492.29			364,628.36
TOTAL OPERATING EXPENSES	423,607.00	545,246.00	540,887.82	507,850.00	0.00	0.00	2,017,590.82
INCOME BEFORE INT, DEPR/TAX (MOR-1)	-299,551.00	-420,415.00	-321,261.82	-136,572.00	0.00	0.00	-1,177,799.82
INTEREST EXPENSE	482,579.00	262,801.00	266,108.00	268,279.00			1,279,767.00
DEPRECIATION	134,069.00	133,868.00	133,639.00	132,850.00			534,426.00
OTHER (INCOME) EXPENSE*							0.00
OTHER ITEMS**							0.00
TOTAL INT, DEPR & OTHER ITEMS	616,648.00	396,669.00	399,747.00	401,129.00	0.00	0.00	1,814,193.00
NET INCOME BEFORE TAXES	-916,199.00	-817,084.00	-721,008.82	-537,701.00	0.00	0.00	-2,991,992.82
FEDERAL INCOME TAXES							0.00
NET INCOME (LOSS) (MOR-1)	(\$916,199.00)	(\$817,084.00)	(\$721,008.82)	(\$537,701.00)	\$0.00	\$0.00	(\$2,991,992.82)

Accrual Accounting Required, Otherwise Footnote with Explanation.

* Footnote Mandatory.

** Unusual and/or infrequent item(s) outside the ordinary course of business requires footnote.

MOR-6

Revised 11/05/05

July General and Administrative Expenses includes a credit of \$35K for a prior period coding error.

July Payroll includes a \$59K Workers' Comp Refund

August Other Expenses includes a \$10K application fee to Ft. Ashford Funds and a \$25K pre-petition advance from Steve Smith recorded after the fact.

CASE NAME: Lajitas Resorts, Ltd.
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CASH RECEIPTS AND DISBURSEMENTS	MONTH Jul-07	MONTH Aug-07	MONTH Sep-07	MONTH Oct-07	MONTH	MONTH	FILING TO DATE
1. CASH-BEGINNING OF MONTH	41,785.00	613,300.00	23,169.93	714,688.04	367,708.65	367,708.65	41,785.00
RECEIPTS:							
2. CASH SALES	197,241.20	184,918.77	317,462.00	266,748.91			966,370.88
3. COLLECTION OF ACCOUNTS RECEIVABLE	15,686.71	18,390.01	31,058.71	101,518.62			166,654.05
4. LOANS & ADVANCES (attach list)	800,000.00	0.00	0.00	0.00			800,000.00
5. SALE OF ASSETS	0.00	0.00	0.00	0.00			0.00
6. OTHER (attach list)	59,373.00	1,226.13	1,016,004.94	696,153.08			1,772,757.15
TOTAL RECEIPTS**	1,072,300.91	204,534.91	1,364,525.65	1,064,420.61	0.00	0.00	3,705,782.08
(Withdrawal) Contribution by Individual Debtor MFR-2*	0.00	0.00					0.00
DISBURSEMENTS:							
7. NET PAYROLL	199,913.34	324,257.49	230,727.44	247,102.23			1,002,000.50
8. PAYROLL TAXES PAID	49,665.92	46,650.65	45,203.55	74,128.34			215,648.46
9. SALES, USE & OTHER TAXES PAID	13,818.82	10,824.77	10,396.90	27,566.76			62,607.25
10. SECURED/RENTAL/LEASES	0.00	50,090.45	75,369.65	47,696.58			173,156.68
11. UTILITIES & TELEPHONE	6,083.20	92,671.24	74,153.70	64,310.82			237,218.96
12. INSURANCE	66,731.52	50,186.51	23,118.40	70,188.06			210,224.49
13. INVENTORY PURCHASES	56,460.42	46,512.55	70,758.83	55,491.21			229,223.01
14. VEHICLE EXPENSES***	38,805.36	45,459.88	32,058.68	25,575.24			141,899.16
15. TRAVEL & ENTERTAINMENT	5,004.28	1,530.89	3,138.82	14,687.22			24,361.21
16. REPAIRS, MAINTENANCE & SUPPLIES	13,000.20	13,575.14	22,650.36	3,681.65			52,907.35
17. ADMINISTRATIVE & SELLING	45,917.85	102,905.41	84,636.15	74,918.65			308,378.06
18. ADEQUATE PROTECTION PAYMENT(S)****	3,885.00						3,885.00
19. OTHER (attach list)		10,000.00	795.06	700,803.24			711,598.30
TOTAL DISBURSEMENTS FROM OPERATIONS	499,285.91	794,664.98	673,007.54	1,406,150.00	0.00	0.00	3,373,108.43
19. PROFESSIONAL FEES	1,500.00						1,500.00
20. U.S. TRUSTEE FEES	0.00			5,250.00			5,250.00
21. OTHER REORGANIZATION EXPENSES (attach list)	0.00						0.00
TOTAL DISBURSEMENTS**	500,785.91	794,664.98	673,007.54	1,411,400.00	0.00	0.00	3,379,858.43
22. NET CASH FLOW	571,515.00	-590,130.07	691,518.11	-346,979.39	0.00	0.00	325,923.65
23. CASH - END OF MONTH (MOR-2)	613,300.00	23,169.93	714,688.04	367,708.65	367,708.65	367,708.65	367,708.65

* Applies to Individual debtors only

**Numbers for the current month should balance (match)

RECEIPTS and CHECKS/OTHER DISBURSEMENTS lines on MOR-8

Revised 11/08/05

Note:

Other Receipts has been used for net transfers between accounts
and a refund on a workers compensation policy all match MOR8

***This is for the fuel purchases for the resort including
fuel to run the generators on the golf course and utility company

****Deposit to new garbage company for monthly garbage
pickup

CASE NAME: Lajitas Resorts, Ltd.
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CASH ACCOUNT RECONCILIATION
MONTH OF October-07

BANK NAME	In House Banks	# 707691531	# 145718	Account Closed	# 707691556	# 707691549	# 707691812	# 7051654	#145734	Account Closed	House Bank	#2049843747		
ACCOUNT NUMBER	House Banks	OPERATING	PAYROLL	+WTNB - Deposit	+WTNB - Operating	CC DEPOSIT	CONSTRUC. OPERATING	LAKESIDE COTTAGES	CLAY HENRY FUND	PETTY CASH	*PBT - Checking	*Petty Cash-Construction	FUNDING ACCT	TOTAL
BANK BALANCE	0	177,276.00	8,515.03	0.00	0.00	0.00	0.00	1,160.14	1,037.90	111,565.99	0.00	0.00	108,107.51	407,662.57
DEPOSITS IN TRANSIT	0	2,695.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	956.40	0.00	0.00	0.00	3,652.16
DEBTORS PAYABLE	0	21,223.33	9,404.18	0.00	0.00	0.00	0.00	20.82	0.00	6,200.25	0.00	0.00	0.00	40,750.56
ADJUSTED BANK BALANCE	0	158,703.37	-934.15	0.00	0.00	-267.82	1,160.14	1,037.90	103,432.70	0.00	0.00	0.00	108,107.51	371,238.65
BEGINNING CASH - PER BOOKS	9,323.00	368,305.93	-1,760.33	5,145.00	-17,742.00	77.34	-5,067.42	1,156.15	1,037.90	-4,887.86	3,259.00	-3,516.00	359,557.33	714,888.04
RECEIPTS*	0	674.20	0.00	0.00	0.00	253,859.42	0.00	3.99	0.00	113,179.74	0.00	0.00	550.18	368,267.53
TRANSFERS BETWEEN ACCOUNTS	0	299,544.70	154,231.96	0.00	0.00	-249,850.26	6,903.43	0.00	0.00	37,520.00	0.00	0.00	-252,000.00	-4,650.17
WITHDRAWAL OR CONTRIBUTION BY INDIVIDUAL DEBTOR MFR-2	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CHECKS/OTHER DISBURSEMENTS*	0	508,821.46	153,405.78	0.00	0.00	4,086.50	2,103.83	0.00	0.00	42,379.18	0.00	0.00	0.00	710,796.75
ENDING CASH - PER BOOKS	9,323.00	158,703.37	-934.15	5,145.00	-17,742.00	0.00	-267.82	1,160.14	1,037.90	103,432.70	3,259.00	-3,516.00	108,107.51	367,708.65

MOR-8

*Numbers should balance (match) TOTAL RECEIPTS and
TOTAL DISBURSEMENTS lines on MOR-7

Revised 11/06/05

*Accounts closed balances remaining due
to state dated deposits and checks not cleared
from gl.

CASE NAME: Lajitas Resorts, Ltd.
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PAYMENTS TO INSIDERS AND PROFESSIONALS

Of the total disbursements shown for the month, list the amount paid to insiders (as defined in Section 101(31)(A)-(F) of the U.S. Bankruptcy Code) and the professionals. Also, for insiders, identify the type of compensation paid (e.g., salary, commission, bonus, etc.) (Attach additional pages as necessary).

INSIDERS: NAME/COMP TYPE	MONTH 7/31/2007	MONTH 8/31/2007	MONTH 09/30/07	MONTH 10/31/07	MONTH	MONTH
1. Randy Williamson-condo rental	5,000.00	1,108.36	5,000.00	5,000.00		
2. Santa Elena Hospitality-mgmt fee/rebilled exp	44,970.84	46,183.90	44,970.84	62,082.92		
3. Boquillas Beverage-beverage taxes	1,359.68	8,977.65	1,362.76	4,442.62		
4. Katie Schoeni-Hostettler-payroll	2,019.16	2,019.17	2,738.21	2,019.16		
5. Kelly Bandy-payroll	1,209.31	1,226.05	1,217.32	1,250.09		
6. Daniel Hostettler-expense reimbursement		655.35	1,726.80	544.87		
73 Tanya Smith-contract services				1,400.00		
TOTAL INSIDERS (MOR-1)	54,558.99	60,170.48	57,015.93	75,339.66	0.00	0.00

PROFESSIONALS	MONTH 7/31/2007	MONTH	MONTH	MONTH	MONTH	MONTH
				10/31/07		
1. Quan, Burdette & Perez-employee visa	1,500.00					
2. Mark Moody				7,192.05		
3.						
4.						
5.						
6.						
TOTAL PROFESSIONALS (MOR-1)	1,500.00	0.00	0.00	7,192.05	0.00	0.00

MOR-9

Revised 11/08/05